

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GREEN RIVER)	
VALLEY WATER DISTRICT FOR A)	
CERTIFICATE OF PUBLIC CONVENIENCE)	
AND NECESSITY TO CONSTRUCT AN)	
IMPROVEMENTS PROJECT AND TO ISSUE)	CASE NO.
SECURITIES IN THE APPROXIMATE)	2002-00413
PRINCIPAL AMOUNT OF \$519,000 FOR THE)	
PURPOSE OF FINANCING SAID PROJECT)	
PURSUANT TO THE PROVISIONS OF KRS)	
278.020, 278.300 AND 807 KAR 5:001)	

O R D E R

On December 23, 2002, Green River Valley Water District (Green River District) filed a motion for rehearing of the Commission s Order (Order) issued on December 16, 2002. In its Order, the Commission granted Green River District a Certificate of Public Convenience and Necessity to construct approximately 116,000 linear feet of water transmission main and a booster pumping station. The Order also authorized Green River District to borrow an amount not to exceed \$519,000 from the KRWFC at an interest rate that will vary between 1.93 to 5.15 percent per annum to finance the construction.

According to Green River District, the securities were priced in the open market on December 22, 2002 and the winning bidder elected to have the Bonds issued as Term Bonds; thus a single rate was bid for the entire issue of Bonds. The effective interest rate of Green River District s KRWFC loan will be 5.09 percent per annum. Green River District determined that going from a variable to a fixed interest rate will

result in a total interest cost of \$231,123, a decrease of approximately \$50,000 from its original estimate of \$281,039. Since the actual interest rate will be a fixed 5.09 percent per annum, and the impact is a reduction to the total interest cost of the KRWFC loan that was originally authorized by the Order, Green River District's request on rehearing should be granted.

IT IS THEREFORE ORDERED that:

1. The Order issued December 16, 2002 is hereby modified to authorize Green River District to borrow from KRWFC up to \$519,000 at a fixed interest rate of 5.09 percent per annum.
2. All other provisions of the December 16, 2002 Order not inconsistent herewith shall remain in full force and effect.

Done at Frankfort, Kentucky, this 9th day of January, 2003.

By the Commission

ATTEST:


Executive Director